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ABSTRACT

A six-state depiction study of dislocated workers in the Pacific Northwest involved interviews at six selected sites and a questionnaire survey of 138 dislocated workers. Data were obtained from structured interviews with employers, union representatives, employment service staff, educators, ongoing service agencies, and emergency assistance agencies. The major contributor to high unemployment rates was a narrow economic base. Dislocated workers were more skilled than the usual pool of unemployed, in their early to midforties, eager to work, heads of households, and lacking in job search skills. In addition to support services provided by some employers to workers prior to layoff, state employment services, human service agencies, emergency service providers, and postsecondary institutions also helped. Collaboration among local agencies to meet needs of dislocated workers was reported. Besides information on dislocated worker characteristics, the written survey collected data on the economic impact of unemployment. Participants reported a number of financial adjustments they had made and major financial barriers to becoming satisfactorily employed. Dislocated workers had a positive attitude toward work before and after the layoff. Information was also obtained on the layoff process, help during the layoff, job search activities, stress symptoms, and the most difficult period during unemployment. (YLB)

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# JOB LOSS AND ITS EFFECTS ON DISLOCATED WORKERS AND THEIR FAMILIES

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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

# JOB LOSS AND ITS EFFECTS ON DISLOCATED WORKERS AND THEIR FAMILIES[1]

During the past few years, national attention has turned to the growing number of dislocated workers. As a recent Congressional Budget Office report states, "Even when the U.S. economy has recovered from the present recession, some portion of the workforce that is now unemployed will remain jobless despite concerted efforts to return to work. This group, identified as dislocated workers and composed of people who have been displaced by strucutural changes in the economy, will face particular difficulty adjusting to changed employment demands and will likely experience longer-than-usual periods of joblessness. (Skeingold, 1982, p. ix)

The actual number of dislocated workers depends on the characteristics used to define dislocation--age, length of job tenure, occupation, industry and duration of employment. The number of dislocated workers in the U.S. in 1983 ranged from 100,000 to 2.1 million (from about 1 to 20 percent of all unemployed workers) depending on the definition and range of assumptions used. The high figure is based on all unemployed workers in declining geographic areas. The low figure reflects only workers who are displaced from declining industries and who remain jobless for longer than 26 weeks. Typical characteristics of dislocated workers are that they have a steady work history in the same occupation spanning at least five years, their unemployment termination was involuntary, and they are unlikely to return to full employment in their original job.

[1] The authors wish to express appreciation to Judith Nelson, a consultant to NWREL, for her review of the literature and assistance in the site visits.

In this study conducted by the Northwest Regional Educational Laboratory (NWREL), dislocated workers are defined as people with at least three years of labor market experience who have been laid off through no fault of their own and who are unlikely to return to the same company or occupation within six months. In order for vocational educators and others involved in employment and training to best use available funds for helping dislocated workers, it is important that they have a good understanding of the characteristics of this population; the problems they are experiencing; and their attitudes toward work, retraining, and related issues. This study responds to this need for information.

Labor market economists tell us that when the official unemployment rate reaches 10 percent it means that 25 percent of the American workforce was unemployed at some point during the last year. It is anticipated that as the economy recovers from the recession, unemployment will remain relatively high due, at least in part, to an increasing rate of technological change, foreign competition and business restructuring. Because of such prevailing conditions, the Education and Work Program of NWREL is conducting a regional study of workers who have lost their jobs. Findings from the project are intended to help educational institutions, businesses and service agencies develop or refine policies and programs to better meet the needs of the unemployed. The study examines questions concerning individual workers' abilities to cope with unemployment and the strategies they and their families use to weather unemployment. The study also examines effective intervention strategies

for serving dislocated workers and their families. Information about dislocated workers' willingness or reluctance to retrain and the factors that help or hinder retraining and re-employment are being gathered and analyzed for policy and program implications.

The regional study described in this paper followed an extensive literature review and a preliminary 1982 study based on personal interviews and questionnaires from 44 dislocated workers in the metropolitan area of Portland, Oregon (Clark and Nelson, 1983). To help design the preliminary study and to assure that appropriate questions would be asked, representatives of employment and training providers, educators, social agencies and government leaders were interviewed to find out what they needed to learn about the experiences Northwesterners encounter when they are unemployed. From these interviews four categories of problems emerged: (1) economic effects; (2) psycholcgical effects, such as reduced self-esteem and self-confidence; (3) sociological effects, such as changes in family relationships and (4) barriers to further education, retraining and relocation to find new employment. Questions addressing these categories were then formulated and incorporated into two survey instruments--a mailback questionnaire and a telephone interview. The findings can be summarized around four problem areas.

Economic Effects

To cope with the loss of income, study participants most often reduced family expenses by cutting back on food and on medical and dental care. Entertainment and recreation expenditures were either sharply reduced or completely eliminated. One in three participants lived with a spouse or roommate who was working an average of 25 hours per week and about half had part time or temporary jobs to help make ends meet.

Psychological Effects

About 80 percent of the study participants reported that the layoff and unemployment period had a negative effect on their personal well-being. A wide variety of psychological problems reported included feelings of helplessness, depression, psychosomatic disorders and thoughts of suicide. The seeds of the psychological problems many unemployed invidiuals experience may be found in the layoff process itself. About 75 percent of the NWREL study respondents were unhappy about the manner in which their employers handled the layoffs. Shock, anger, disbelief and a loss of self-esteem were commonly reported, all of which hinder job search efforts. A high percentage of these workers could be classified as discouraged about their chances of ever becoming employed again.

Sociological Effects

Family and friends were sources of financial assistance for about half of the study participants. But they were also sources of tension. Role reversals put a strain on some families as the man stayed home to do household chores while the woman worked outside the home. For some dislocated workers, communicating with working friends became a problem. There was a sense that working friends were embarrassed by a person not working. A few people told us that on the positive side, there had been an increased closeness among family members.

Barriers

A number of conditions stand in the way of full-time, satisfactory re-employment for the dislocated worker. These include:

- The prevailing economic situation
- A lack of awareness and/or skill in job search, career change planning and in tapping the hidden job market

- o A lack of job information or access to job information
- o A strong attachment to the current occupation
- o An inability to see the transferability of skills to other occupations
- o The age of the individual

A significant barrier to both retraining and relocation is the lack of assurance that either of these steps would yield steady and satisfactory employment. The reluctance to move can also be tied to the concern for avoiding disruption of the support system, the partner's work situation and the children's education.

## METHODOLOGY

Based on the preliminary findings from the Metropolitan Portland study of dislocated workers, our advisory committee recommended that we expand to conduct a regional depiction study focused on the information needs of those providing services to dislocated workers. With funding provided by the National Institute of Education, NWREL's Education and Work Program conducted on-site case studies and interviews with educators and service providers in each of six communities around the region. The sites were: Seward, Alaska; Molokai, Hawaii; Boise County, Idaho; Butte, Montana; Linn County, Oregon and Tacoma, Washington. Each site was selected because of its high unemployment rate (ranging officially beteween 12 and 18.3 percent). Sites were also selected to represent the diversity of size and industrial mix of the Pacific Northwest.

The regional study in 1983 involved a two-person interview team spending a week in one community in each of the six states. At each site, data were systematically obtained from structured interviews with

employers; union representatives; employment service staff; educators at the elementary, secondary and postsecondary level; ongoing service agencies such as Adult and Family Services and emergency assistance agencies. A local co-sponsor of the study was selected in each community. The co-sponsor provided useful background data, arranged some agency contacts, and provided access to dislocated workers. Co-sponsors included a local economic development board, an employment service, a community college and a vocational/technical school.

Interview questions focused on: (1) the extent and causes of unemployment in the selected Northwest communities; (2) types of workers who were laid off; (3) what the layoff process was like; (4) characteristics of dislocated workers and how they differ from the chronically unemployed; (5) training and other support services available and utilized; (6) the met and unmet needs of dislocated workers; (7) strategies that were effective in helping them; (8) the roles of employers, unions and community agencies; (9) the degree of collaboration across such groups and (10) recommendations for improving services to dislocated workers. A matrix framework was used to determine which types of questions to ask each group. Thus, some questions were asked with five or six groups while other questions were designed for only one or two groups.

NWREL interviewers took detailed notes during each interview and they re-wrote their notes at the end of the day. Interview results were tabulated by question for each interview group across the six sites. A record of these tabulations appears in the NWREL Education and Work Program Final Report to the National Institute of Education (McClure and Clark, 1983).

The second major activity of our dislocated workers study was the development and use of a questionnaire survey of dislocated workers in the Northwest. This survey was completed by 138 people. It covered: (1) demographic data including the respondent's sex, age, education level, marital status, family status, income, current work status; (2) employment and unemployment history; (3) activities performed at various periods while unemployed; (4) financial adjustments during unemployment; (5) attitudes toward work six months before layoff and at the present time; (6) physiological stress symptoms at four phases of the layoff period; (7) how the layoff process occurred and reactions to how the employer presented it; (8) ratings of support agencies from whom help was sought; (9) job search strategies used; (10) retraining plans or experiences; (11) factors that were the most difficult and most helpful during unemployment and (12) positive and negative results of having been laid off. This questionnaire was based on a comprehensive review of the literature on dislocated workers plus our initial experiences and findings from interviews with dislocated workers in the Metropolitan Portland area. A draft of the questionnaire was administered to dislocated workers in Oregon and Washington and revised based on their feedback.

An Unemployment Survey was completed and returned by mail by 138 out of approximately 800 dislocated workers surveyed in the Pacific Northwest region. Various methods were used to identify dislocated workers. Several lists were used of those who had attended workshops for dislocated workers or who had participated in programs for them. Staff in several Employment Service Centers, on-going service agencies and emergency service programs distributed the survey and cover letter to clients they come in contact with over a one-month period.

## RELATED LITERATURE

An extensive review of the dislocated worker literature was conducted by Judith Nelson of the NWREL Education and Work Program staff. This section highlights a few of these studies.

In their review of relevant research literature concerning macro-economic change, cycles in unemployment, and changes in the rate of physical and mental illness and crime, Gordus and McAlinden (1982) find sufficient evidence to conclude that "high rates of unemployment provoke very serious consequences in terms of mortality, illness and social deviance" (p. 7). They also cite studies to support that hypertension is exacerbated when job loss is anticipated, and that job loss is strongly associated with depression, anxiety, agression, insomnia, loss of self-esteem and marital problems. Cordes and Turkington (1983) found no increases in alcoholism and child abuse as a result of unemployment. Hepworth (1980) found that the best predictor of mental health during unemployment was whether time was well occupied.

There have been several studies examining the amount of stress at various phases of unemployment. Liem and Rayman (1982) found that at one and four months after job loss husbands showed higher levels of psychiatric symptoms relative to controls. The symptoms were greatest at the fourth month. They also discovered that middle-aged heads of households with young children experienced more intense stress effects than younger single workers. The manner in which workers are laid off was also found to be related to the amount of stress experienced (Tabor, 1982).

The importance of social support during periods of unemployment has been examined in a number of studies. Liem and Liem (1979), for example, found that unemployment does not necessarily lead to a loss of friends or deterioration in friendships. They found that friends are more likely to provide help with job search than are relatives, whereas the latter are more apt to provide other concrete forms of help such as babysitting and transportation.

Work orientation has been found to affect the stress of unemployment and future re-employment (Warr and Lovatt, 1977). They report that the higher the degree of worker involvement the more negative the effects of unemployment. However, highly work-oriented persons were more likely to be employed following plant closure than low work-oriented persons.

## SITE VISITS FINDINGS

This section contains a summary of findings from selected site interview questions. Information is centered around six topical areas: (1) unemployment rate and causes of unemployment in the local communities, (2) dislocated worker characteristics, (3) layoffs, (4) employer provided services, (5) other services and (6) collaboration.

### 1. Unemployment Rate and Causes of Unemployment

The six communities reported unemployment rates that exceed both the state and federal seasonally adjusted unemployment rates. Figures ranged between 12 and 18.3 percent for the official rates. About half of the respondents felt that the actual figures would be much higher because of the many discouraged workers and workers no longer receiving benefits. Both of these groups are not reflected in published statistics. Some employment service workers think that the ranks of the discouraged workers are growing at one and one-half the rates for unemployment generally.

A narrow economic base was identified as a major contributor to high unemployment rates in four of the six study sites. Plant shutdowns and project terminations were also cited as having a heavy negative impact. Some of the problems stem from the fact that some of the major industries that usually face cyclical or seasonal layoffs or slowdowns have not experienced normal job return rates due to bad overall economic conditions.

The "ripple effect" is also a contributing factor. Layoffs are causing out-migration, meaning a loss of business for local retailers, services and schools, thereby triggering layoffs in those occupations. In some areas where jobs are beginning to return, the retail sector is reluctant to hire due to high labor costs and a lack of confidence in the extent and durability of the area's economic recovery.

For some communities this situation has been a recurring problem over the last twenty years or more. For other areas, this discouraging cycle is new, unfamiliar and frustrating.

Union officials called the unemployment problem "very serious" in all of the locations. Calling current conditions a depression, the respondents believe that the "real" unemployment rate is substantially higher than published rates. Two sites predicted that during the winter months the "real" rates will hit 30 percent. Rising costs and interest rates coupled with narrow local economic bases received much of the blame for local unemployment. Also mentioned were prevailing poor economic conditions around the world and rising costs of producing and moving goods. Some companies, for example, were reported to be unwilling to adjust to meet the demands for odd-sized lumber products in the foreign marketplace.

2. The Dislocated Worker

Consistent across six states was the report by employment service staff that dislocated workers can generally be described as:

- o heads of households
- o construction workers
- o skilled workers and craftsmen
- o professionals and clerical workers
- o high school graduates and above
- o seasonal and farm workers
- o more highly qualified than the "usual" pool of unemployed

When on going human service agencies were asked to describe a dislocated worker profile, the following picture emerged:

- o high school graduate or higher educational level
- o more skilled than the usual client
- o early to mid-forties
- o near the end of unemployment insurance benefits
- o mostly men, but there are growing numbers of women
- o construction or resource-related former occupation
- o high school age children at home or children in college
- o reluctant to change lifestyle
- o doing odd jobs to get by

When compared to the chronically unemployed, the dislocated workers:

- o want to work
- o are more aggressive in looking for jobs
- o don't know how to use the system
- o are better educated
- o become desperate more quickly
- o lack job search skills
- o don't want to receive aid to dependent children (AFDC) or "welfare"
- o are less tolerant of and patient with the bureaucracy
- o are angry and feel betrayed
- o are unable to see alternatives

3. The Layoffs

Employers from 10 companies that had conducted layoffs were interviewed. Generally those interviewed were personnel directors. For some companies, layoffs were seasonal or had occurred as a steady decline starting in the spring of 1981. Most layoffs reported around the region took place in late 1982 and early 1983. The number of employees laid off

-nged from 10 to 750. In one company, there were 10 or 12 layoffs affecting 400 people at a time. Those laid off were particularly production employees, but the layoffs affected all levels of employees including administrators, and in one case the personnel director being interviewed.

In the case of all but one of the employer respondents, there were early warnings to suggest impending layoffs. Among the signals were indicators such as:

- o A shrinking lumber base with the industry in trouble regionally and nationally
- o A need to be more competitive with Canada
- o The rising costs of protecting the environment
- o A shift to a four-day work week
- o The threat of foreign competition
- o Rumors of layoffs

Most employers interviewed cited foreign competition, falling market demand and cuts in defense spending as major causes of layoffs. Some mentioned that industry and mechanical failures had also taken a toll on the health of companies. In at least one case, the corporation had become over-extended in capital investments.

The majority of those interviewed indicated that seniority and early retirements were the primary basis for identifying staff to be terminated. Other approaches included assigning "cut" quotas to supervisors, giving regular employees priority over hourly or seasonal employees and judging who was to be terminated on the basis of work performance. In one instance, local employees were terminated first and more senior employees who had been brought in from outside the area were kept on. For some, of course, this was a moot issue since the plant was closing and all employees were terminated.

Out-of-state headquarters personnel made layoff decisions in about half the cases. Management-level people decided in most other instances. In one situation, management and union people appear to have cooperated. All but one respondent said that alternatives to the layoff process had been examined. Some companies tried having a four-day work week; some worked their employees fewer hours; some absorbed people in other locations, lowered wages or made non-personnel-related cuts. A worksharing plan was proposed but was met with union opposition. Another company moved its operation.

The amount of advance notice prior to layoffs varied greatly: no notice was given at one company while another gave a full year. Other responses were three days, four days, one week, two weeks, and four, five, six and seven months. Said one employer, "—it's heartless but more merciful to have people leave immediately so that interaction with other employees is lessened."

4. Employer Provided Services

Six of the 10 companies provided some support services to workers prior to layoff while the balance either provided no services or were not aware of any services provided. Among those services mentioned were:

- o Referral to other companies
- o No penalties for moonlighters
- o Underwriting training costs
- o Purchase of land for low-cost resale to laid-off employees
- o Assistance with unemployment insurance claims and health insurance
- o Information about medical and life insurance protection
- o Maintaining benefits for a limited period after termination
- o Workshops on stress and resume preparation
- o Reassurance to workers that layoff was caused by the bad economy

Fewer than half the companies had offered help with transfer or relocation options. Three companies had no other locations so that transfer was not an option. Others reported that bumping was not

permitted, that other plants had not been in need of new personnel or that transfers were not often possible to arrange.

Only three of the companies provided services after employees were terminated. These were providing job leads, answering questions, assisting with a job fair at a community college and referring people to employment service retraining opportunities. Over half of the responding companies either had not provided services or didn't know whether services had been provided.

With regard to insights following these layoffs, companies felt that it is important to keep employees up-to-date about changes in the company so that they have time to consider another job or entry into retraining. Other comments were that productivity had remained high after the layoff announcement despite the reduction in numbers of supervisors.

One respondent closed the interview with a comment that seems to typify the attitude of many of those interviewed: "There is no way to soften the layoff. One must try to make the best of it."

5. Other Services to Dislocated Workers

In addition to some services provided to dislocated workers by their companies, other groups were on hand to help. State employment services in some communities provided job classes, help in relocating within the state and information and referral. One community reported a statewide system that matches experienced workers in a particular occupation with job openings in the field.

Ongoing human service agencies reported providing counseling, training and job clubs. Emergency service providers helped with shelter, medical care, food and rent and fuel assistance.

Elementary and secondary schools reported Chapter 1 activities for children of dislocated workers. Free or low-cost lunches were often available. Some teachers provided clothing to children in need. In general, educators did not seem to distinguish between children of dislocated workers and those of low-income families.

Regionwide, there have been some major efforts by unions to aid the dislocated worker. Specfically, these include:

- Encouraging financial planning and financial counseling
- Briefing workers about available social services
- Reducing union dues
- Covering insurance payments for a specified period
- Securing food and clothing
- Assisting with credit union loan and welfare applications
- Forming a food co-op for company employers and former employees
- Providing job referrals
- Providing personal counseling
- Identifying other sources of benefits
- Providing retraining or developing retraining opportunities related to other industries and employers
- Paying tuition assistance for college-level training
- Advocating for extended unemployment insurance benefits
- Working with other agencies to set up workshops to help the unemployed
- Offering a medical care program through a group health plan
- Creating a union bank

Postsecondary institutions provided some services to dislocated workers. Services clustered around job search and occupational information. Some institutions offered special classes to help returning, older students upgrade their math skills and basic skills. One-day workshops were offered by one site to help dislocated workers learn about courses and services available to them. Career counseling was reported as available in all but one location. Two sites reported skills training. Short-term workshops were available for skill upgrading.

Ongoing human service agencies were providing counseling, specific job seeking skills and job clubs. Food assistance and temporary shelter were often provided by emergency services agencies while fuel and rent assistance were occasionally provided. Employment service centers provided employment information and referral, job skill training classes, unemployment benefits, and assistance to people who qualify for help in relocating under the Trade Adjustment Act.

6. Collaboration

People from the various agencies were asked to describe and assess the collaboration among local agencies in meeting the needs of dislocated workers. Across the board, employment service staff reported efforts to cooperate with community agencies that deliver a variety of health and human services. Some areas are trying to start or work through an interagency council to take services to workers on site prior to plant closures.

In general, linkages have been forged among health providers, human services, police, welfare, local government, churches, unions and emergency helping agencies in order to maximize service delivery. The extent of cooperation varies from "not much" to "close" and "good" cooperation. One location reported that budget cuts were forcing organizations to work together for "our very survival." About half the emergency service providers reported efforts to cooperate across agency lines. The other half did not, except for making some referrals and sharing some information.

## UNEMPLOYMENT SURVEY FINDINGS

Extensive information was collected on the 138 dislocated workers responding to the written survey. This section summarizes findings related to eight topics: (1) dislocated worker characteristics, (2) economic impact of layoff, (3) attitudes toward work, (4) the layoff process, (5) help during the layoff, (6) job search activities, (7) stress symptoms and (8) the most difficult period during unemployment.

### 1. Dislocated Worker Characteristics

Of the 138 dislocated workers responding to a detailed written questionnaire 35 percent were female. The average age of respondents was 40. Eighteen percent were under 30 years of age, 59 percent were 30-49 years old and 23 percent were 50 or older. Sixty-eight percent were married while 19 percent were divorced. Eighty percent were heads of households. They averaged two children. Of those surveyed 18 percent had not graduated from high school, 33 percent had a high school diploma or GED, 32 percent had up to two years of postsecondary education and 18 percent had two or more years of college.

Three quarters of the respondents were unemployed when they completed the survey. Table 1 shows the previous occupation of the dislocated workers. Agriculture and manufacturing account for 73 percent of the jobs lost. Table 2 shows the size of companies from whom these former workers came. The most frequent size is 100-500 employees (42 percent) followed by companies with over 500 employees (31 percent). The length of previous employment is shown in Table 3. Respondents averaged six years with their previous employer with 10 percent having been employed

for less than one year and 12 percent having worked there 20 or more years. Fifty-four percent of the respondents were union members with an average of 11 years as union members.

TABLE 1

PREVIOUS OCCUPATION OF DISLOCATED WORKERS

| | Percent |
|---|---|
| Agriculture | 41 |
| Manufacturing | 32 |
| Services | 11 |
| Trade | 7 |
| Mining, construction | 6 |
| Communications, transportation | 2 |
| Forestry, fishing | 2 |
| Finance, real estate | 1 |

TABLE 2

SIZE OF COMPANY WHERE DISLOCATED WORKERS WERE PREVIOUSLY EMPLOYED

| Employee Size | Percentage |
|---|---|
| 1-5 | 4 |
| 6-10 | 4 |
| 11-100 | 16 |
| 101-500 | 42 |
| over 500 | 31 |

TABLE 3
LENGTH OF TIME DISLOCATED WORKERS HAD BEEN EMPLOYED IN THEIR PREVIOUS JOB

| | Number of People |
|---|---|
| Less than 1 year | 10 |
| 1 to 4 years | 39 |
| 5 to 9 years | 47 |
| 10 to 14 years | 22 |
| 15 to 19 years | 2 |
| 20 to 29 years | 7 |
| 30 or more years | 5 |

Of those completing the survey, half had been laid off more than once. They averaged two layoffs. In the layoffs prior to their current one, they remained unemployed an average of three months. The length of time of their previous unemployment varied widely by the type of industry. Table 4 indicates that those in forestry, metals, and construction were unemployed the longest while those in services were unemployed the least amount of time. Data are based on occupations reported by at least five respondents. Current occupation areas of those respondents who were currently employed are shown in Table 5. Most frequently they were employed in services. In the past five years, 52 percent of our respondents held one job, 27 percent two jobs and 19 percent three or more jobs.

TABLE 4

AVERAGE LENGTH OF PREVIOUS UNEMPLOYMENT BY INDUSTRY

| Occupational Area | Average Number of Weeks Unemployed |
|---|---|
| Forestry | 17 |
| Metals | 15 |
| Construction | 15 |
| Mechanics | 10 |
| Clerical | 10 |
| Agriculture | 9 |
| Services | 8 |

TABLE 5

CURRENT OCCUPATION AREAS OF FORMERLY DISLOCATED WORKERS

| Occupational Area | Number of Workers |
|---|---|
| Services | 5 |
| Mechanics | 3 |
| Metals | 3 |
| Forestry | 3 |
| Marketing | 2 |
| Accounting | 2 |
| Clerical | 2 |
| Health | 1 |
| Electrical | 1 |
| Home Management | 1 |
| Graphics | 1 |

2. Economic Impact

Prior to losing their jobs, respondents' average personal gross monthly income was $1,489. As with other studies, these figures differed signficantly by sex with males earning $1,751 and females $987. Current personal gross monthly income was $557. Comparisons of previous and current monthly incomes are displayed in Table 6.

Forty-nine percent of the dislocated workers received unemployment benefits and 13 percent food stamps. Forty-two percent had another person in their household who was working. Generally it was a spouse working full-time. Participants in this study reported a number of financial adjustments they and their families have made, the most frequent being cutting back on entertainment and delaying medical or dental care. Table 7 shows the financial adjustments made.

TABLE 6

PREVIOUS AND CURRENT GROSS MONTHLY INCOME OF DISLOCATED WORKERS

| | Number of Persons Reporting | |
|---|---|---|
| | Previous | Current |
| Less than $10,000 | 26 | 55 |
| $10,000-19,999 | 50 | 21 |
| $20,000-29,999 | 46 | 4 |
| $30,000-39,999 | 8 | 1 |
| $40,000 or more | 1 | 0 |

TABLE 7

FINANCIAL ADJUSTMENTS MADE BY DISLOCATED WORKERS

| Adjustment | Percentage |
|---|---|
| Cut back on entertainment | 81 |
| Delay of medical or dental care | 70 |
| Cutback on food | 65 |
| Delayed payments | 48 |
| Delayed purchases | 45 |
| Sold car, recreational equipment or household items | 29 |
| Moved to less expensive living quarters | 20 |

Of those in this study 19 percent supplemented their income through part-time work and 21 percent through temporary work, most often in the services areas. Major financial barriers to becoming satisfactorily employed were cost of retraining (27 percent), cost of gasoline (25 percent), cost of appropriate clothing (24 percent), cost of using an employment agency (15 percent) and cost of career counseling (10 percent).

3. Attitudes Toward Work

Dislocated workers in this study had a positive attitude toward work both before and after the layoff. For example, one of the seven work attitude items asked "If unemployment benefits were really high, I would still prefer work." Eighty-nine percent of the respondents indicated they agreed with this statement before layoffs and 86 percent after

layoffs. Likewise, 77 percent of the respondents felt satisfied or very satisfied with their job six months before any layoff concerns.

Unemployment affects people in various ways. For example, during the first three months of unemployment 35 percent of the respondents reported more marital/relationship problems than usual while another 35 percent felt closer to their family. Similarly, 12 percent indicated their friendships changed for the worse while 12 percent indicated friendships changed for the better. Further analysis will probe factors which might help explain these differences in reactions to unemployment.

4. Layoff Process

Two thirds of the respondents suspected a layoff was coming. They first suspected it about five months in advance. Anticipation of a layoff was triggered by: rumors among co-workers (45 percent), announcements from management that a shut down was coming (20 percent), workers in similar industries being laid off (19 percent), supervisors mentioning that cutbacks were coming (18 percent), reduction in hours (17 percent) and television and newspaper reports on declining local economy (17 percent). In a third of the cases it was the supervisor who informed them that they were going to be laid off. The two most common ways of giving notice were management announcing it in a meeting of workers (38 percent) and supervisors calling workers in to discuss the reasons and dates of termination (31 percent). Three percent were simply handed a "pink slip" with no explanation given. Half of the respondents felt that the layoff method used by their employer damaged their self-confidence while 30 percent felt their employer did as much as possible to help them

cope with the layoff. In this study 85 percent of our respondents felt that "losing my job had nothing to do with my performance on the job."

Three major reasons cited for their layoff were: a poor economy (65 percent), poor company management (34 percent) and individual lack of seniority (30 percent). Various people responded differently to their last day at work and the prospect of not working. Table 8 shows the most commonly reported responses.

TABLE 8

WORKERS' INITIAL RESPONSES TO THE LAYOFF

| View | Percentage |
|---|---|
| A time to really start looking for another job | 32 |
| One of the worst things that could happen--a crisis | 31 |
| It couldn't have happened at a worse time | 25 |
| A time to change careers | 23 |
| A time for vacation and to have fun | 17 |
| A chance to be closer to my family | 14 |

5. Help During the Layoff

After notification of layoff, there were certain things that some employers, unions, family and friends and agencies did to help. These are reported in Tables 9 to 12.

TABLE 9

EMPLOYER ASSISTANCE REPORTED BY DISLOCATED WORKERS

| Type of Help | Percentage |
|---|---|
| Severance pay | 44 |
| Job-search workshop techniques | 32 |
| Information or referal to agencies | 20 |
| Opportunity to relocate and stay within the company | 12 |
| Career counseling | 9 |
| A chance to do a different job within the company at the same location | 5 |
| Chance to stay on but reduced benefits/pay | 4 |

TABLE 10

UNION ASSISTANCE REPORTED BY DISLOCATED WORKERS

| Type of Help | Percentage |
|---|---|
| Explanation of supplementary benefits | 21 |
| Bargain with employer to delay layoff | 7 |
| Providing job-hunting tools (like resume preparation) | 4 |
| Providing job leads | 3 |

TABLE 11

ASSISTANCE OF FAMILY AND FRIENDS REPORTED BY DISLOCATED WORKERS

| Type of Help | Percentage |
|---|---|
| Donated food | 30 |
| Transportation to places I needed to go | 24 |
| Helped with car or home repair | 15 |
| Donated babysitting | 11 |

TABLE 12

ASSISTANCE FROM AGENCIES REPORTED BY DISLOCATED WORKERS

| Type of Agency | Percentage |
|---|---|
| Employment Service | 93 |
| Community College | 41 |
| Government Employment Programs (CETA) | 38 |
| Unions | 35 |
| Professional Associations | 30 |
| Private Employment Agencies | 28 |
| College Placement Office | 25 |
| Private Training Programs | 16 |

Respondents were asked to rate each of the agencies they sought help from as very helpful, somewhat helpful or not helpful. Of those using these services, 30 percent rated the community college training programs as very helpful while 20 percent rated the State Employment Service as very helpful. At the other extreme, two-thirds or more of the users rated the following agencies as not helpful; private employment agencies (79 percent), unions (79 percent), private training program (68 percent) and former employers (66 percent).

6. Job Search Activities

Most of the workers in our sample began their job search 3-6 weeks after termination. They reported that after four and one-half months of looking they became the most distressed. During the month before completing the survey they reported their activities in search of employment as indicated in Table 13. Fifteen percent had received training for a new occupation and 52 percent of the rest indicated they planned to seek retraining primarily at a community college. Table 14 indicates the training-related steps the dislocated workers had taken.

TABLE 13

JOB SEARCH ACTIVITIES OF DISLOCATED WORKERS

| Activity | Percentage |
|---|---|
| Talked in person with employers | 69 |
| Told everybody I know I was looking for work | 58 |
| Checked want adds | 56 |
| Checked Employment Service | 45 |
| Gave or sent a resume to several employers | 45 |
| Looked for employers in the Yellow Pages | 38 |
| Went to a private employment service | 7 |
| Volunteered | 6 |
| Placed a "job wanted" add in a paper, radio or TV | 5 |
| Joined a Job Club | 2 |
| Moved to a new job | 1 |

TABLE 14

TRAINING RELATED ACTIVITIES OF DISLOCATED WORKERS

| Activity | Percentage |
|---|---|
| Found out what jobs are in demand | 20 |
| Attended career exploration workshop(s) | 14 |
| Took vocational tests | 14 |
| Talked with a career counselor | 12 |
| Read books on career change | 11 |
| Learned how to run my own business | 8 |
| Contacted vocational schools | 7 |
| Contacted CETA/JTPA | 7 |
| Applied for financial aid for school | 7 |
| Found someone to teach me a new trade or skill | 6 |
| Did unpaid work to gain new skills | 5 |

A quarter or more of the dislocated workers while looking for work experienced problems in: keeping up their spirits (59 percent), getting job leads (46 percent), accepting lower wages (42 percent), costs, such as gas and clothes (30 percent), job interviews (26 percent), and trying to decide on a new occupation (25 percent). The most helpful aspect had been support from family and friends.

Stress Symptoms

As other studies of dislocated workers have pointed out, being unemployed creates much stress. To determine the effects of such stress at various phases of unemployment this study identified five key phases during the unemployment cycle: 1) six months before any layoff concern

(used as a baseline period), 2) immediately after receiving a layoff notice, 3) during the first three months of unemployment, 4) during the job search period (which could occur at various time periods after layoff) and 5) at the time of completing the survey. With these phases in mind the survey was structured sequentially to ask questions during each of these five phases. One question repeated at each phase was whether the respondent had a problem with any of 14 physiological symptoms shown in Table 15. Since prior medical research indicated that some symptoms are reported more frequently by women, Table 16 reports symptoms separately for each sex. Table 16 reports the results of an analysis of variance comparing total number of physical stress-related problems reported during each phase by men and women. As can be seen the differences by sex are not significant before layoff but become so after the layoff occurs.

TABLE 15

PERCENTAGE OF DISLOCATED WORKERS REPORTING MEDICAL PROBLEMS AT VARIOUS PHASES OF THE UNEMPLOYMENT CYCLE

| Problem | Six months before layoff Concern | | After layoff notice Received | | During first 3 months of Unemployment | | During the job search period | | Currently | |
|---|---|---|---|---|---|---|---|---|---|---|
| | F | M | F | M | F | M | F | M | F | M |
| Frequent stomach aches | 6 | 7 | 17 | 14 | 15 | 8 | 15 | 12 | 13 | 8 |
| Frequent headaches | 21 | 6 | 42 | 7 | 33 | 7 | 31 | 10 | 28 | 7 |
| Trouble sleeping | 19 | 11 | 60 | 44 | 58 | 36 | 46 | 33 | 42 | 26 |
| High blood pressure | 8 | 11 | 6 | 12 | 8 | 10 | 8 | 10 | 13 | 12 |
| Bladder problems | 4 | 1 | 4 | 2 | 4 | 1 | 6 | 2 | 4 | 1 |
| Eating too much or too little | 21 | 12 | 38 | 27 | 54 | 22 | 35 | 23 | 40 | 21 |
| Shakiness/dizziness | 6 | 0 | 10 | 4 | 10 | 0 | 6 | 6 | 2 | 6 |
| Heart problems | 2 | 2 | 2 | 4 | 2 | 2 | 2 | 2 | 2 | 2 |
| Smoking a lot | 15 | 10 | 23 | 20 | 29 | 17 | 23 | 19 | 19 | 11 |
| Drinking a lot of alcohol | 6 | 6 | 6 | 10 | 10 | 10 | 4 | 7 | 2 | 8 |
| Drug abuse | 0 | 1 | 2 | 1 | 2 | 0 | 0 | 0 | 0 | 0 |
| Irritability (short temper) | 10 | 13 | 46 | 26 | 35 | 19 | 25 | 23 | 23 | 13 |
| Trouble thinking clearly | 2 | 10 | 25 | 20 | 17 | 13 | 17 | 13 | 10 | 12 |
| Shortness of breath | 4 | 4 | 4 | 8 | 2 | 4 | 2 | 4 | 2 | 9 |

TABLE 16

AVERAGE NUMBER OF PHYSICAL STRESS RELATED PROBLEMS REPORTED BY MEN AND WOMEN DURING VARIOUS PHASES OF UNEMPLOYMENT

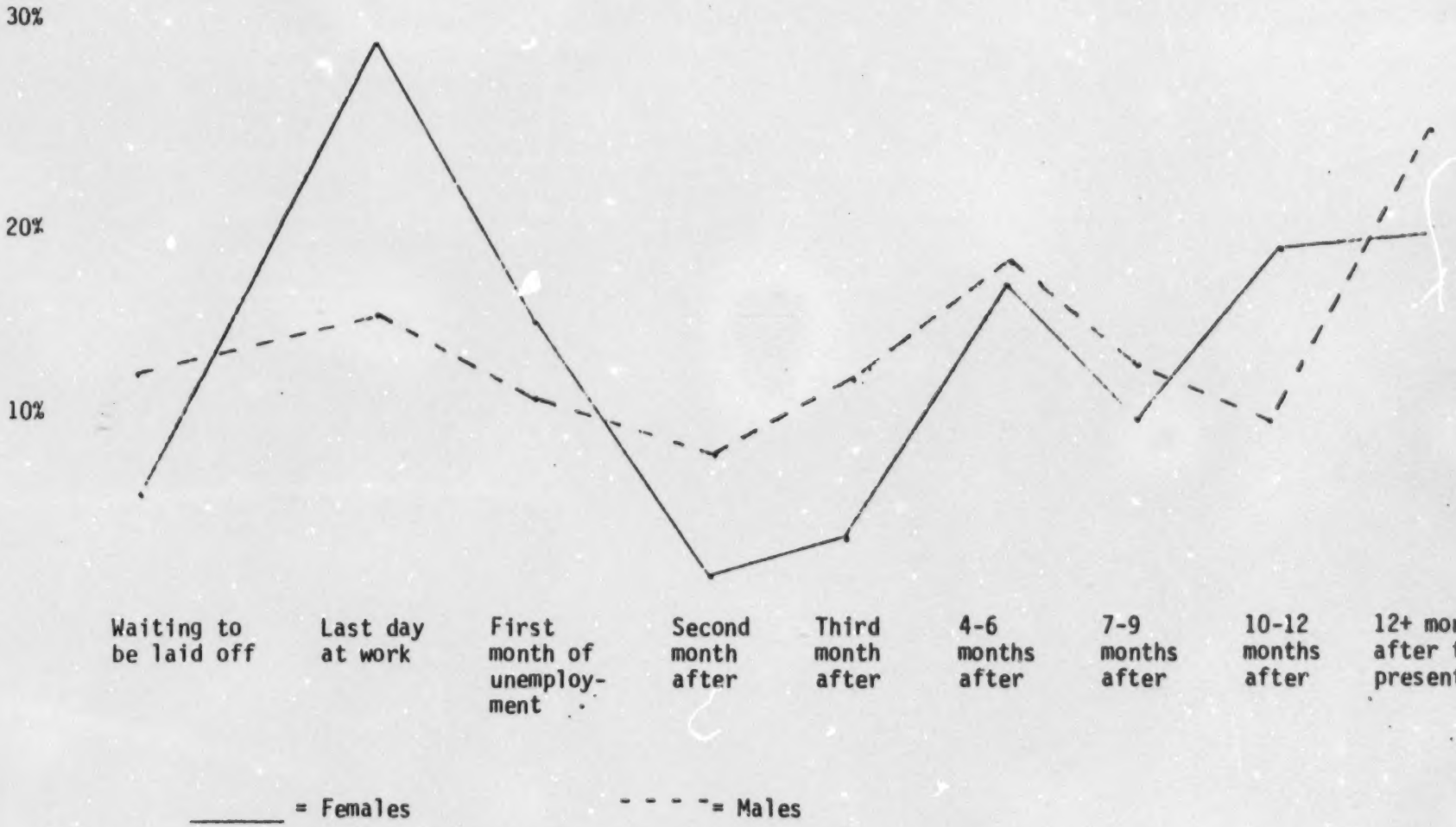
| Phase | Mean Problems Reported Men (N=90) | Women (N-48) | Significance of the difference |
|---|---|---|---|
| Six months before layoff concern | .99 | 1.29 | NSD |
| After receiving layoff notice | 2.08 | 3.10 | .01 |
| During first 3 months of unemployment | 1.54 | 2.79 | .001 |
| During job search period | 1.68 | 2.31 | .10 |
| At time of survey | 1.39 | 2.04 | .05 |

8. Most Difficult Period

At the end of the survey, respondents were asked to judge which of nine periods related to the layoff was the most difficult for them and their families. Table 17 shows graphically how men and women responded. Overall, the most difficult periods were the last day at work and more than one year after the layoff. In comparing responses by sex, the greatest difference in responses occurred on the last day of work reported by 29 percent of the women versus 15 percent of the men as the most difficult period . That men reported a signficantly greater period of advanced notice of layoff compared with women (seven months versus two months) is perhaps associated with this response.

TABLE 17

WHAT WAS THE MOST DIFFICULT TIME FOR YOU DURING THE LAYOFF PERIOD?



## NEXT STEPS

This paper reports some preliminary findings from a six-state depiction study of dislocated workers in the Pacific Northwest. Further analysis of the survey findings will identify differential effects of unemployment by sex, age, education and current employment status. Round table conferences to share these findings in the six communities will occur. Following that a guidebook will be prepared containing information for policy makers and for agencies working with dislocated workers.

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